

LOTTERY AUTHORITY, IOWA[531]

Adopted and Filed

Rule making related to licensing

The Board of Directors of the Iowa Lottery Authority hereby amends Chapter 12, “Licensing,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is adopted under the authority provided in Iowa Code section 99G.9(3).

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code sections 99G.24 and 272D.8.

Purpose and Summary

This rule making reflects changes related to the Authority’s five-year rules review.

The purpose of these amendments is to align the Authority’s rules with Iowa Code chapter 272D. These amendments update the Authority’s license eligibility criteria to deny or suspend a license if the Authority has received a certificate of noncompliance regarding an applicant or licensee from the centralized collection unit of the Iowa Department of Revenue.

These amendments also remove references to the Iowa Code Supplement.

Public Comment and Changes to Rule Making

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on August 10, 2022, as **ARC 6445C**. No public comments were received. No changes from the Notice have been made.

Adoption of Rule Making

This rule making was adopted by the Board of Directors of the Iowa Lottery Authority on September 27, 2022.

Fiscal Impact

This rule making has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

No waiver provision is included because Iowa Code section 272D.8 does not provide for one.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rule making will become effective on December 7, 2022.

The following rule-making actions are adopted:

ITEM 1. Amend rule 531—12.1(99G,252J), parenthetical implementation statute, as follows:

531—12.1(99G,252J,272D) License eligibility criteria.

ITEM 2. Adopt the following new subrule 12.1(4):

12.1(4) The lottery will deny a license to any applicant defined by this chapter if the lottery has received a certificate of noncompliance from the centralized collection unit of the department of revenue with regard to the individual, until the unit furnishes the lottery with a withdrawal of the certificate of noncompliance.

ITEM 3. Amend rule **531—12.1(99G,252J)**, implementation sentence, as follows:

This rule is intended to implement Iowa Code ~~section~~ sections 99G.7(1), 99G.9(3), 99G.21(2), 99G.24, 252J.2 and Iowa Code Supplement sections 99G.7(1), 99G.9(3), 99G.21(2), and 99G.24, and 272D.8.

ITEM 4. Amend rule 531—12.4(99G,252J), parenthetical implementation statute, as follows:

531—12.4(99G,252J,272D) Lottery licenses.

ITEM 5. Amend subrule 12.4(7) as follows:

12.4(7) The lottery will grant, deny, or place on hold all applications within 60 days of acceptance of an application. Applications placed on hold shall be considered denied for purposes of appeal.

a. If an application is denied because the lottery has received a certificate of noncompliance from the child support recovery unit in regard to an individual, the effective date of denial of the issuance of the license, as specified in the notice required by Iowa Code section 252J.8, shall be 60 days following service of the notice upon the applicant.

b. If an application is denied because the lottery has received a certificate of noncompliance from the centralized collections unit of the department of revenue regarding an applicant or person as defined by this chapter, the effective date of denial of the issuance of the license, as specified in the notice required by Iowa Code section 272D.8, shall be 60 days following service of the notice upon the applicant.

ITEM 6. Amend rule **531—12.4(99G,252J)**, implementation sentence, as follows:

This rule is intended to implement Iowa Code sections 99G.7, 99G.9(3), 99G.21(2), 99G.24, 99G.30, 252J.2, and 252J.8 and Iowa Code Supplement sections 99G.7, 99G.9(3), 99G.21(2), 99G.24, and 99G.30, and 272D.8.

ITEM 7. Amend rule 531—12.12(99G,252J), parenthetical implementation statute, as follows:

531—12.12(99G,252J,272D) Suspension or revocation of a license.

ITEM 8. Adopt the following new paragraph **12.12(1)“v”**:

v. When the lottery receives a certificate of noncompliance from the centralized collection unit of the department of revenue in regard to nonpayment of a state debt, unless the unit furnishes the lottery with a withdrawal of the certificate of noncompliance. This paragraph applies both to sole proprietorships and to persons with the requisite ownership interest in or relation to any other organized business entity as set forth in 531—12.3(99G). This paragraph applies in addition to the procedures set forth in Iowa Code chapter 272D.

ITEM 9. Amend subrules 12.12(2) and 12.12(3) as follows:

12.12(2) The effective date of revocation or suspension of a license, or denial of the issuance or renewal of a license, as specified in the notice required by Iowa Code section 252J.8, shall be 60 days following service of the notice upon the licensee. All The effective date of revocation or suspension of a license, or denial of the issuance or renewal of a license, for nonpayment of state debt, as specified in the

notice required by Iowa Code section 272D.8, shall be 60 days following service of the notice upon the licensee. The effective date for all other notices of revocation or suspension shall be 20 days following service upon a licensee.

12.12(3) If a retailer's license is suspended for more than 180 days from the effective date of the suspension, the lottery will revoke the retailer's license upon 15 days' notice served in conformance with 531—12.13(99G,252J,272D).

ITEM 10. Amend rule **531—12.12(99G,252J)**, implementation sentence, as follows:

This rule is intended to implement Iowa Code ~~section~~ sections 99G.9(3), 99G.21(2), 99G.24, 99G.27, 99G.30(3), 99G.35, 252J.8, and Iowa Code Supplement sections ~~99G.9(3), 99G.21(2), 99G.24, 99G.27, 99G.30(3), and 99G.35~~ 272D.8(2).

ITEM 11. Amend rule 531—12.13(99G,252J) as follows:

531—12.13(99G,252J,272D) Methods of service.

12.13(1) The notice required by Iowa Code section 252J.8 shall be served upon the licensee by restricted certified mail, return receipt requested, or personal service in accordance with Iowa Rule of Civil Procedure 1.305. Alternatively, the licensee may accept service personally or through authorized counsel.

12.13(2) The notice required by Iowa Code section 272D.8 shall be served upon the licensee by certified mail, return receipt requested; by personal service in accordance with Iowa Rule of Civil Procedure 1.305; or through authorized counsel. Alternatively, the licensee may accept service personally or through authorized counsel.

12.13(3) Notice of a license revocation or a suspension for the reasons described in 531—12.12(99G,252J,272D) shall be served upon the licensee by restricted certified mail, return receipt requested, or personal service in accordance with Iowa Rule of Civil Procedure 1.305. Alternatively, the licensee may accept service personally or through authorized counsel. The notice shall set forth the reasons for the suspension or revocation and provide for an opportunity for a hearing. If requested by the licensee, a hearing on the suspension or revocation shall be held within 180 days or less after the notice has been served.

This rule is intended to implement Iowa Code ~~section~~ sections 99G.9(3), 99G.21(2), 99G.24, 252J.8 and Iowa Code Supplement sections ~~99G.9(3), 99G.21(2), and 99G.24,~~ and 272D.8.

ITEM 12. Amend rule 531—12.14(99G,252J) as follows:

531—12.14(99G,252J,272D) Licensee's obligation. Licensees and license applicants ~~shall~~ must keep the lottery informed of all court actions and all child support recovery unit actions or centralized collection unit actions taken under or in connection with Iowa Code chapter 252J ~~and shall or 272D.~~ Licensees and applicants must also provide the lottery with copies, within seven days of filing or issuance, of all applications filed with the district court pursuant to Iowa Code section 252J.9 or 272D.9, all court orders entered in such actions, and any withdrawals of certificates of noncompliance by the child support recovery unit or centralized collections unit.

This rule is intended to implement Iowa Code ~~section~~ sections 99G.9(3), 99G.21(2), 252J.8 ~~and Iowa Code Supplement sections 99G.9(3) and 99G.21(2), and 272D.8.~~

ITEM 13. Amend rule 531—12.15(99G,252J) as follows:

531—12.15(99G,252J,272D) Calculating the effective date. In the event a licensee or applicant files a timely district court action following service of a lottery notice pursuant to Iowa Code sections 252J.8 and 252J.9 or sections 272D.8 and 272D.9, the lottery shall continue with the intended action described in the notice upon the receipt of a court order lifting the stay, dismissing the action, or otherwise directing the lottery to proceed. For purposes of determining the effective date of revocation or suspension, or

denial of the issuance or renewal of a license, the lottery shall count the number of days before the action was filed and the number of days after the action was disposed of by the court.

This rule is intended to implement Iowa Code sections 99G.9(3), 99G.21(2), 252J.8, and 252J.9 and ~~Iowa Code Supplement sections 99G.9(3) and 99G.21(2), 272D.8, and 272D.9.~~

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 11/2/22.